

Senate Study Bill 1046 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON ANDERSON)

A BILL FOR

1 An Act relating to insurance coverage for dental care services.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 514C.3C Dental coverage —
2 assignment of benefits.

3 A person who is the owner of any rights or benefits under a
4 policy or contract of insurance which provides for coverage of
5 dental services shall be permitted to assign all or any part
6 of that person's rights and privileges under the policy or
7 contract, including but not limited to the right to designate
8 a beneficiary and to have an individual policy or contract
9 issued in accordance with the terms of the policy or contract.
10 Such assignment shall be without prejudice to the issuer of
11 such policy or contract of insurance on account of any payment
12 the issuer makes or individual policy or contract the issuer
13 issues before receiving notice of the assignment, provided
14 that the issuer was acting in good faith. If written proof of
15 an assignment of benefits is presented to an insurer, health
16 maintenance organization, managed care plan, health care
17 plan, preferred provider organization, or other third-party
18 payor, then payment shall be made directly to the designated
19 beneficiary of the policy or contract of insurance. Nothing
20 in this section shall be construed to prevent any person from
21 reconciling duplicate payments.

22 Sec. 2. NEW SECTION. 514C.3D Dental coverage — uniform
23 coordination of benefits.

24 A policy or contract of insurance which provides for
25 coverage of dental services shall provide for coordination of
26 benefits in a manner so that the policy or contract pays the
27 same amount for the dental services provided regardless of the
28 existence of other coverage for the dental services, so long
29 as the total amount paid does not exceed one hundred percent
30 of the amount of the applicable claim. Such coordination of
31 benefits shall be effected consistent with rules adopted by the
32 commissioner of insurance under chapter 17A, based upon similar
33 model rules developed by the national association of insurance
34 commissioners.

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EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill relates to insurance coverage for dental services.
4 New Code section 514C.3C provides that a person who owns
5 rights or benefits under a policy or contract of insurance
6 which provides for coverage of dental services must be allowed
7 to assign any or part of that person's rights and privileges
8 under the policy or contract, including the right to designate
9 a beneficiary and to have an individual policy or contract
10 issued. The assignment is without prejudice to an issuer that
11 makes a payment in good faith under the policy or contract
12 before receiving notice of the assignment. If written proof
13 of the assignment of benefits is presented to an insurer,
14 health maintenance organization, managed care plan, health care
15 plan, preferred provider organization, or other third-party
16 payor, the payment for coverage of dental services shall be
17 made directly to the designated beneficiary of the policy
18 or contract. The section shall not be construed to prevent
19 reconciliation of duplicate payments.

20 New Code section 514C.3D provides that a policy or contract
21 of insurance which provides for coverage of dental services
22 shall provide for coordination of benefits in a manner so
23 that the policy or contract pays the same amount for the
24 dental services provided regardless of whether there is
25 other coverage for the services, so long as the total amount
26 paid does not exceed 100 percent of the amount of the claim.
27 The commissioner of insurance shall adopt rules to provide
28 for such coordination of benefits, based on similar model
29 rules developed by the national association of insurance
30 commissioners.